

Exhibit III

Developer Sets Deal to Buy 4 Manhattan Buildings

Price by Condo-Conversion Speciality Tops \$600 Million for Rental Units

By *Josh Barbanel*

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Ziel Feldman, a New York developer who has made a specialty of condominium conversions, made a deal to pay more than \$600 million to purchase four Manhattan rental buildings with some 750 apartments.

The deal includes the Astor, an elegant 12-story limestone-and-brick prewar building on West 75th Street with 212 units and prime commercial space.

But at a time when many Manhattan developers are focusing on the most-expensive apartments, the deal is notable in that it includes some less-exalted addresses that would likely sell for less if converted to condos.

"People are only building in the hyper-luxury market," said Donna Olshan, a residential broker who tracks the luxury market in a weekly report. "There is a gap in the market for lower-priced condos."

Mr. Feldman, the founder and managing principal of HFZ Capital, said that land prices for new developments were too high at present to build apartments with "more approachable prices," leaving the field to conversions. But he said he hadn't decided whether to keep some or all of the buildings as rentals for now.

The four buildings, which went into contract last week, were part of a portfolio purchased by Westbrook Partners, a privately held investment firm, for about \$387 million. Three were bought in 2007 and one in 2012. Westbrook didn't respond to a request for comment. Adam Spies and Douglas Harmon of Eastdil Secured had the listing.

The properties also include a 17-story 1927 prewar building on Lexington Avenue and East 26th Street with 180 apartments and a modernist 1959 building next door that was converted from offices to rentals in the 1970s.

The fourth property is the Metro, a 264-unit building constructed in the late 1970s on 53rd Street and Eighth Avenue.

The building ceiling heights are about 11 feet, except at the Metro, where the height is 8½ feet, Mr. Feldman said.

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